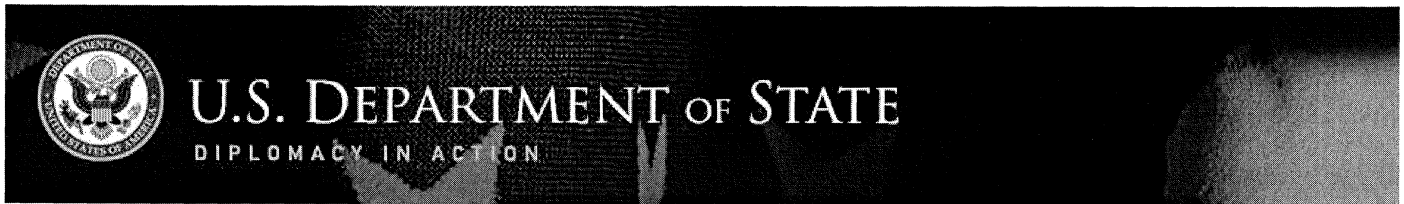
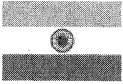


EXHIBIT 4



India (11/04)

For the most current version of this Note, see Background Notes A-Z.



PROFILE

OFFICIAL NAME:

Republic of India

Geography

Area: 3.29 million sq. km. (1.27 million sq. mi.); about one-third the size of the U.S.

Cities: *Capital*--New Delhi (pop. 12.8 million, 2001 census). *Other major cities*--Mumbai, formerly Bombay (16.4 million); Kolkata, formerly Calcutta (13.2 million); Chennai, formerly Madras (6.4 million); Bangalore (5.7 million); Hyderabad (5.5 million); Ahmedabad (5 million); Pune (4 million).

Terrain: Varies from Himalayas to flat river valleys.

Climate: Alpine to temperate to subtropical monsoon.

People

Nationality: *Noun and adjective*--Indian(s).

Population (2003 est.): 1.05 billion; urban 27.8%.

Annual growth rate: 1.6%.

Density: 319/sq. km.

Ethnic groups: Indo-Aryan 72%, Dravidian 25%, Mongoloid 2%, others.

Religions: Hindu 81.3%, Muslim 12%, Christian 2.3%, Sikh 1.9%, other groups including Buddhist, Jain, Parsi 2.5%.

Languages: Hindi, English, and 16 other official languages.

Education: *Years compulsory*--9 (to age 14). *Literacy*--55.2%.

Health: *Infant mortality rate*--61/1,000. *Life expectancy*--63 years.

Work force (est.): 416 million. *Agriculture*--63%; *industry and commerce*--22%; *services and government*--11%; *transport and communications*--4%.

Government

Type: Federal republic.

Independence: August 15, 1947.

Constitution: January 26, 1950.

Branches: *Executive*--president (chief of state), prime minister (head of government), Council of Ministers (cabinet). *Legislative*--bicameral parliament (Rajya Sabha or Council of States, and Lok Sabha or House of the People). *Judicial*--Supreme Court.

Political parties: Bharatiya Janata Party, Congress (I), Janata Dal (United), Communist Party of India, Communist Party of India-Marxist, and numerous regional and small national parties.

Political subdivisions: 28 states, * 7 union territories.

Suffrage: Universal over 18.

Economy

GDP: \$576 billion (2003); \$648 billion (2004 est.).

Real growth rate: 8.2% (2003).

Per capita GDP: \$543 (2003); \$602 (2004 est.).

Natural resources: Coal, iron ore, manganese, mica, bauxite, chromite, thorium, limestone, barite, titanium ore, diamonds, crude oil.

Agriculture: 22.7% of GDP. *Products*--wheat, rice, coarse grains, oilseeds, sugar, cotton, jute, tea

Industry: 26.6% of GDP. *Products*--textiles, jute, processed food, steel, machinery, transport equipment, cement, aluminum, fertilizers, mining, petroleum, chemicals, computer software.

Services and transportation: 50.7% of GDP.

Trade: *Exports*--\$62 billion; agricultural products, engineering goods, precious stones, cotton apparel and fabrics, gems and jewelry, handicrafts, tea. *Software exports*--\$12.5 billion. *Imports*--\$76 billion; petroleum, machinery and transport equipment, electronic goods, edible oils, fertilizers, chemicals, gold, textiles, iron and steel. *Major trade partners*--U.S., EU, Russia, Japan, Iraq.

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PEOPLE

Although India occupies only 2.4% of the world's land area, it supports over 15% of the world's population. Only China has a larger population. Almost 33% of Indians are younger than 15 years of age. About 70% of the people live in more than 550,000 villages, and the remainder in more than 200 towns and cities. Over thousands of years of its history, India has been invaded from the Iranian plateau, Central Asia, Arabia, Afghanistan, and the West; Indian people and culture have absorbed and changed these influences to produce a remarkable racial and cultural synthesis.

Religion, caste, and language are major determinants of social and political organization in India today. The government has recognized 18 languages as official; Hindi is the most widely spoken.

Although 81% of the people are Hindu, India also is the home of more than 126 million Muslims—one of the world's largest Muslim populations. The population also includes Christians, Sikhs, Jains, Buddhists, and Parsis.

The caste system reflects Indian occupational and socially defined hierarchies. Sanskrit sources refer to four social categories, priests (Brahmin), warriors (kshatriya), traders (vayisha) and farmers (shudra). Although these categories are understood throughout India, they describe reality only in the most general terms. They omit, for example, the tribes and low castes once known as 'untouchables.' In reality, society in India is divided into thousands of jatis, local, endogamous groups, organized hierarchically according to complex ideas of purity and pollution. Despite economic modernization and laws countering discrimination against the lower end of the class structure, the caste system remains an important source of social identification for most Hindus and a potent factor in the political life of the country.

HISTORY

The people of India have had a continuous civilization since 2500 B.C., when the inhabitants of the Indus River valley developed an urban culture based on commerce and sustained by agricultural trade. This civilization declined around 1500 B.C., probably due to ecological changes.

During the second millennium B.C., pastoral, Aryan-speaking tribes migrated from the northwest into the subcontinent. As they settled in the middle Ganges River valley, they adapted to antecedent cultures.

The political map of ancient and medieval India was made up of myriad kingdoms with fluctuating boundaries. In the 4th and 5th centuries A.D., northern India was unified under the Gupta Dynasty. During this period, known as India's Golden Age, Hindu culture and political administration reached new heights.

Islam spread across the subcontinent over a period of 500 years. In the 10th and 11th centuries, Turks and Afghans invaded India and established sultanates in Delhi. In the early 16th century, the Chaghtai Turkish adventurer and distant relative of Timurlang, Babur, established the Mughal Dynasty, which lasted for 200 years. South India followed an independent path, but by the 17th century it too came under the direct rule of influence of the expanding Mughal Empire. While most of Indian society in its thousands of villages remained untouched by the political struggles going on around them, Indian courtly culture evolved into a unique blend of Hindu and Muslim traditions.

The first British outpost in South Asia was established by the English East India Company in 1619 at Surat on the northwestern coast. Later in the century, the Company opened permanent trading stations at Madras, Bombay, and Calcutta, each under the protection of native rulers.

The British expanded their influence from these footholds until, by the 1850s, they controlled most of present-day India, Pakistan, and Bangladesh. In 1857, a rebellion in north India led by mutinous Indian soldiers caused the British Parliament to transfer all political power from the East India Company to the Crown. Great Britain began administering most of India directly while controlling the rest through treaties with local rulers.

In the late 1800s, the first steps were taken toward self-government in British India with the appointment of Indian councilors to advise the British viceroy and the establishment of provincial councils with Indian members; the British subsequently widened participation in legislative councils. Beginning in 1920, Indian leader Mohandas K. Gandhi transformed the Indian National Congress political party into a mass movement to campaign against British colonial rule. The party used both parliamentary and nonviolent resistance and noncooperation to achieve independence.

On August 15, 1947, India became a dominion within the Commonwealth, with Jawaharlal Nehru as Prime Minister. Enmity between Hindus and Muslims led the British to partition British India, creating East and West Pakistan, where there were Muslim majorities. India became a republic within the Commonwealth after promulgating its Constitution on January 26, 1950.

After independence, the Congress Party, the party of Mahatma Gandhi and Jawaharlal Nehru, ruled India under the influence first of Nehru and then his daughter and grandson, with the exception of two brief periods in the 1970s and 1980s.

Prime Minister Nehru governed the nation until his death in 1964. He was succeeded by Lal Bahadur Shastri, who also died in office. In 1966, power passed to Nehru's daughter, Indira Gandhi, Prime Minister from 1966 to 1977. In 1975, beset with deepening political and economic problems, Mrs. Gandhi declared a state of emergency and suspended many civil liberties. Seeking a mandate at the polls for her policies, she called for elections in 1977, only to be defeated by Moraji Desai, who headed the Janata Party, an amalgam of five opposition parties.

In 1979, Desai's Government crumbled. Charan Singh formed an interim government, which was followed by Mrs. Gandhi's return to power in January 1980. On October 31, 1984, Mrs. Gandhi was assassinated, and her son, Rajiv, was chosen by the Congress (I)—for "Indira"—Party to take her place. His Congress government was plagued with allegations of corruption resulting in an early call for national elections in 1989.

In the 1989 elections Rajiv Gandhi and Congress won more seats than any other single party, but he was unable to form a government with a clear majority. The Janata Dal, a union of opposition parties, then joined with the Hindu-nationalist Bharatiya Janata Party (BJP) on the right and the communists on the left to form the government. This loose coalition collapsed in November 1990, and Janata Dal, supported by the Congress (I), came to power for a short period, with Chandra Shekhar as Prime Minister. That alliance also collapsed, resulting in national elections in June 1991.

On May 27, 1991, while campaigning in Tamil Nadu on behalf of Congress (I), Rajiv Gandhi was assassinated, apparently by Tamil extremists from Sri Lanka. In the elections, Congress (I) won 213 parliamentary seats and returned to power at the head of a coalition, under the leadership of P.V. Narasimha Rao. This Congress-led government, which served a full 5-year term, initiated a gradual process of economic liberalization and reform, which opened the Indian economy

to global trade and investment. India's domestic politics also took new shape, as the nationalist appeal of the Congress Party gave way to traditional alignments by caste, creed, and ethnicity leading to the founding of a plethora of small, regionally based political parties.

The final months of the Rao-led government in the spring of 1996 were marred by several major political corruption scandals, which contributed to the worst electoral performance by the Congress Party in its history. The Hindu-nationalist Bharatiya Janata Party (BJP) emerged from the May 1996 national elections as the single-largest party in the Lok Sabha but without a parliamentary majority. Under Prime Minister Atal Bihari Vajpayee, the subsequent BJP coalition lasted only 13 days. With all political parties wishing to avoid another round of elections, a 14-party coalition led by the Janata Dal formed a government known as the United Front, under the former Chief Minister of Karnataka, H.D. Deve Gowda. His government collapsed after less than a year, when the Congress Party withdrew his support in March 1997. Inder Kumar Gujral replaced Deve Gowda as the consensus choice for Prime Minister at the head of a 16-party United Front coalition.

In November 1997, the Congress Party again withdrew support from the United Front. In new elections in February 1998, the BJP won the largest number of seats in Parliament--182--but fell far short of a majority. On March 20, 1998, the President inaugurated a BJP-led coalition government with Vajpayee again serving as Prime Minister. On May 11 and 13, 1998, this government conducted a series of underground nuclear tests, forcing U.S. President Clinton to impose economic sanctions on India pursuant to the 1994 Nuclear Proliferation Prevention Act.

In April 1999, the BJP-led coalition government fell apart, leading to fresh elections in September. The National Democratic Alliance--a new coalition led by the BJP--gained a majority to form the government with Vajpayee as Prime Minister in October 1999.

The Kargil conflict in 1999 and an attack on the Indian Parliament in December 2001 led to increased tensions with Pakistan. Hindu nationalists have long agitated to build a temple on a disputed site in Ayodhya. In February 2002, a mob of Muslims attacked a train carrying Hindu volunteers returning from Ayodhya to the state of Gujarat, and 57 were burnt alive. Over 900 people were killed and 100,000 left homeless in the resulting anti-Muslim riots throughout the state. This led to accusations that the state government had not done enough to contain the riots, or arrest and prosecute the rioters.

The ruling BJP-led coalition was defeated in a five-stage election held in April and May of 2004, and a Congress-led coalition took power on May 22 with Manmohan Singh as Prime Minister.

GOVERNMENT

According to its Constitution, India is a "sovereign, socialist, secular, democratic republic." Like the United States, India has a federal form of government. However, the central government in India has greater power in relation to its states, and its central government is patterned after the British parliamentary system.

The government exercises its broad administrative powers in the name of the president, whose duties are largely ceremonial. A special electoral college elects the president and vice president indirectly for 5-year terms. Their terms are staggered, and the vice president does not automatically become president following the death or removal from office of the president.

Real national executive power is centered in the Council of Ministers (cabinet), led by the prime minister. The president appoints the prime minister, who is designated by legislators of the political party or coalition commanding a parliamentary majority in the Lok Sabha. The president then appoints subordinate ministers on the advice of the prime minister.

India's bicameral parliament consists of the Rajya Sabha (Council of States) and the Lok Sabha (House of the People). The Council of Ministers is responsible to the Lok Sabha.

The legislatures of the states and union territories elect 233 members to the Rajya Sabha, and the president appoints another 12. The members of the Rajya Sabha serve 6-year terms, with one-third up for election every 2 years. The Lok Sabha consists of 545 members, who serve 5-year terms; 543 are directly elected, and two are appointed.

India's independent judicial system began under the British, and its concepts and procedures resemble those of Anglo-Saxon countries. The Supreme Court consists of a chief justice and 25 other justices, all appointed by the president on the advice of the prime minister.

India has 28 states* and 7 union territories. At the state level, some of the legislatures are bicameral, patterned after the two houses of the national parliament. The states' chief ministers are responsible to the legislatures in the same way the prime minister is responsible to parliament.

Each state also has a presidentially appointed governor, who may assume certain broad powers when directed by the central government. The central government exerts greater control over the union territories than over the states, although some territories have gained more power to administer their own affairs. Local governments in India have less autonomy than their counterparts in the United States. Some states are trying to revitalize the traditional village councils, or panchayats, to promote popular democratic participation at the village level, where much of the population still lives.

Principal Government Officials

President-A.P.J. Abdul Kalam
 Vice President-Bhairon Singh Shekhawat
 Prime Minister-Dr. Manmohan Singh
 Home Minister-Shivraj Patil
 Minister of External Affairs-Natwar Singh
 Minister of State (External Affairs)-E. Ahamed
 Ambassador to the U.S.-Ronen Sen
 Ambassador to the UN-Nirupam Sen

India maintains an embassy in the United States at 2107 Massachusetts Avenue NW, Washington, DC 20008 (tel. 202-939-7000, fax 202-265-4351, email indembwash@india.gov.org) and consulates general in New York, Chicago, Houston, and San Francisco. The embassy's web site is

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<http://www.indianembassy.org/>**POLITICAL CONDITIONS**

Prime Minister Manmohan Singh took office on May 22, 2004 after an April/May 2004 general election in which a Congress-led coalition of 12 parties called the United Progressive Alliance (UPA) emerged with the largest number of Lok Sabha seats. Six additional parties did not join the government, but provided support. The inability of Congress to return to power on its own reflects the ongoing transition in Indian politics away from historical domination by the national-based Congress Party toward coalitions including smaller, narrower-based regional parties. This process has been underway for more than a decade and is likely to continue in the future, with smaller parties aligning with either the Congress or the BJP to form the central government.

Emerging as the nation's single largest party in the April/May 2004 Lok Sabha (Lower House of Parliament) election, Congress currently leads a coalition government under Prime Minister Manmohan Singh. Party President Sonia Gandhi was re-elected by the Party National Executive in May 2004. She is also a Member of Parliament and leader of the Congress delegation in the Lok Sabha. Congress prides itself as a secular, left of center party, and has been the historically dominant political party in India. Although its performance in national elections had steadily declined during the last 12 years, its surprise victory in 2004, was a result of recruiting strong allies into the UPA, the anti-incumbency factor among voters, and winning the votes of many poor, rural and Muslim voters. The political fortunes of the Congress had suffered badly in the 1990's as major groups in its traditional vote bank were lost to emerging regional and caste-based parties, such as the Bahujan Samaj Party and the Samajwadi Party. In November 2003, elections in five states reduced the number of Congress ruled states from 14.5 to 11.5--the Congress shares power with the People's Democratic Party in the state of Jammu and Kashmir--and convinced the BJP to move up the Lok Sabha elections from October to May.

The Bharatiya Janata Party (BJP), led by Venkaiah Naidu, holds the second-largest number of seats in the Lok Sabha. Former Prime Minister Atal Bihari Vajpayee serves as Chairman of the BJP Parliamentary Party, and former Deputy Prime Minister L.K. Advani is Leader of the Opposition. The Hindu-nationalist BJP draws its political strength mainly from the "Hindi Belt" in the northern and western regions of India.

The party holds power in the states of Gujarat, Jharkhand, Goa, Arunachal Pradesh, Madhya Pradesh, Rajasthan, Chhattisgarh, and Orissa--in coalition with the Biju Janata Dal--and in Haryana--in coalition with the Indian National Lok Dal. Popularly viewed as the party of the northern upper caste and trading communities, the BJP has made strong inroads into the lower caste vote bank in recent national and state assembly elections. The party must balance the competing interests of Hindu nationalists, (who advocate construction of a temple on a disputed site in Ayodhya), and center-right modernizers who see the BJP as a party of economic and political reform.

Four Communist and Marxist parties are united in a bloc called the "Left Front," which controls 59 parliamentary seats. The Left Front rules the state of West Bengal and participates in a governing coalition in Kerala. Although it has not joined the government, Left Front support provides the crucial seats necessary for the UPA to retain power in New Delhi; without its support, the UPA government would fall. It advocates a secular and Communist ideology and opposes many aspects of economic liberalization and globalization.

The next general election is scheduled for 2009.

ECONOMY

India's population is estimated at nearly 1.07 billion and is growing at 1.7% a year. It has the world's 12th largest economy--and the third largest in Asia behind Japan and China--with total GDP of around \$570 billion. Services, industry and agriculture account for 50.7%, 26.6% and 22.7% of GDP respectively. Nearly two-thirds of the population depends on agriculture for their livelihood. About 25% of the population lives below the poverty line, but a large and growing middle class of 320-340 million has disposable income for consumer goods.

India is continuing to move forward with market-oriented economic reforms that began in 1991. Recent reforms include liberalized foreign investment and exchange regimes, industrial decontrol, significant reductions in tariffs and other trade barriers, reform and modernization of the financial sector, significant adjustments in government monetary and fiscal policies and safeguarding intellectual property rights.

Real GDP growth for the fiscal year ending March 31, 2004 was 8.17%, up from the drought-depressed 4.0% growth in the previous year. Growth for the year ending March 31, 2005 is expected to be between 6.5% and 7.0%. Foreign portfolio and direct investment in-flows have risen significantly in recent years. They have contributed to the \$120 billion in foreign exchange reserves at the end of June 2004. Government receipts from privatization were about \$3 billion in fiscal year 2003-04.

However, economic growth is constrained by inadequate infrastructure, a cumbersome bureaucracy, corruption, labor market rigidities, regulatory and foreign investment controls, the "reservation" of key products for small-scale industries and high fiscal deficits. The outlook for further trade liberalization is mixed. India eliminated quotas on 1,420 consumer imports in 2002 and has announced its intention to continue to lower customs duties. However, the tax structure is complex with compounding effects of various taxes.

The United States is India's largest trading partner. Bilateral trade in 2003 was \$18.1 billion and is expected to reach \$20 billion in 2004. Principal U.S. exports are diagnostic or lab reagents, aircraft and parts, advanced machinery, cotton, fertilizers, ferrous waste/scrap metal and computer hardware. Major U.S. imports from India include textiles and ready-made garments, internet-enabled services, agricultural and related products, gems and jewelry, leather products and chemicals.

The rapidly growing software sector is boosting service exports and modernizing India's economy. Revenues from IT industry are expected to cross \$20 billion in 2004-05. Software exports were \$12.5 billion in 2003-04. PC penetration is 8 per 1,000 persons, but is expected to grow to 10 per 1,000 by 2005. The cellular mobile market is expected to surge to over 50 million subscribers by 2005 from the present 36 million users. The country has 52 million cable TV customers.

The United States is India's largest investment partner, with total inflow of U.S. direct investment estimated at \$3.7 billion in 2003. Proposals for direct foreign investment are considered by the Foreign Investment Promotion Board and generally receive government approval. Automatic approvals are available for investments involving up to 100% foreign equity, depending on the kind of industry. Foreign investment is particularly sought after in power generation, telecommunications, ports, roads, petroleum exploration/processing and mining.

India's external debt was \$112 billion in 2003, up from \$105 billion in 2002. Bilateral assistance was approximately \$2.62 billion in 2002-03, with the United States providing about \$130.2 million in development assistance in 2003. The World Bank plans to double aid to India to almost \$3 billion over the next four years, beginning in July 2004.

DEFENSE

The supreme command of the Indian armed forces is vested in the President of India. The policy concerning India's defense, and the armed forces as a whole, is formulated and confirmed by the Union Cabinet. The Cabinet, headed by the Prime Minister, consists of ministers, one of whom holds the portfolio of defense and is known as the Defence Minister.

The Defence Committee of the Cabinet takes decisions on all matter of policy concerning defense. That committee consists of the Prime Minister, the Defence Minister, the Home Minister, the Finance Minister, and the Transport & Communications Minister.

Jointness is coming to the Indian armed forces. There is a position Chief of Integrated Service Command that looks after the integration of the defense services under the proposed Chief of Defence Staff plan. A Joint Integrated Defence Staff supports this organization with elements from the three services and various departments in the Ministry of Defence and the Ministry of External Affairs.

The Indian Army numbers over 1.1 million strong and fields 34 divisions. Its primary task is to safeguard the territorial integrity of the country against external threats. The Army has been heavily committed in the recent past to counterterrorism operations in Jammu and Kashmir, as well as the in the Northeast. Its current modernization program focuses on obtaining equipment to be used in combating terror. The Army will often find itself providing aid to civil authorities and assisting the government in organizing relief operations.

The Indian Navy is by far the most capable navy in the region. They currently operate one aircraft carrier with two on order, 14 submarines, and 15 major surface combatants. The navy is capable of projecting power within the Indian Ocean basin and occasionally operates in the South China Sea, the Mediterranean Sea and the Arabian Gulf. Fleet introduction of the Brahmos cruise missiles (expected in 2005) and the possible lease of nuclear submarines from Russia will add significantly to the Indian Navy's flexibility and striking power. The Navy's primary missions are the defense of India and of India's vital sea lines of communication. India relies on the sea for 90% of its oil and natural gas and over 90% of its foreign trade.

Although small, the Indian Coast Guard has been expanding rapidly in recent years. Indian Navy officers typically fill top Coast Guard positions to ensure coordination between the two services. India's Coast Guard is responsible for control of India's huge exclusive economic zone.

The Indian Air Force is in the process of becoming a viable 21st century western-style force through modernization and new tactics. Force modernization is key in this revolution, with the likes of new SU-30MKI becoming the backbone of a power projection capability. Other significant modernization efforts include the induction of a new advanced jet trainer (BAE Hawk) and the indigenously produced advanced light helicopter (Dhruv).

FOREIGN RELATIONS

India's size, population, and strategic location give it a prominent voice in international affairs, and its growing industrial base, military strength, and scientific and technical capacity give it added weight. It collaborates closely with other developing countries on issues from trade to environmental protection. The end of the Cold War dramatically affected Indian foreign policy. India remains a leader of the developing world and the Non-Aligned Movement (NAM), and hosted the NAM Heads of State Summit in 1997. India is now also seeking to strengthen its political and commercial ties with the United States, Japan, the European Union, Iran, China, and the Association of Southeast Asian Nations. India is an active member of the South Asia Association for Regional Cooperation (SAARC).

India has always been an active member of the United Nations and now seeks a permanent seat on the UN Security Council. India has a long tradition of participating in UN peacekeeping operations and most recently contributed personnel to UN operations in Somalia, Cambodia, Mozambique, Kuwait, Bosnia, Angola, and El Salvador.

Bilateral and Regional Relations

Pakistan. The January 2004 SAARC summit marked a historic breakthrough, with India and Pakistan agreeing to resume a composite dialogue on all issues including Kashmir.

India and Pakistan have been locked in a tense rivalry since the partition of the subcontinent upon achieving independence from Great Britain in 1947. The principal source of contention has been Kashmir, whose Hindu Maharaja at that time chose to join India, although a majority of his subjects were Muslim. India maintains that his decision and the subsequent elections in Kashmir have made it an integral part of India. This dispute triggered wars between the two countries in 1947 and 1965.

In December 1971, following a political crisis in what was then East Pakistan and the flight of millions of Bengali refugees to India, Pakistan and India again went to war. The brief conflict left the situation largely unchanged in the west, where the two armies reached an impasse, but a decisive Indian victory in the east resulted in the creation of Bangladesh.

Since the 1971 war, Pakistan and India have made only slow progress toward normalization of relations. In July 1972, Indian Prime Minister Indira Gandhi and Pakistani President Zulfikar Ali Bhutto met in the Indian hill station of Simla. They signed an agreement by which India would return all personnel and captured territory in the west and the two countries would "settle their differences by peaceful means through bilateral negotiations." Diplomatic and trade relations were re-established in 1976.

After the 1979 Soviet invasion of Afghanistan, new strains appeared in India-Pakistan relations; Pakistan supported the Afghan resistance, while India implicitly supported Soviet occupation. In the following 8 years, India voiced increasing concern over Pakistani arms purchases, U.S. military aid to Pakistan, and Pakistan's nuclear weapons program. In an effort to curtail tensions, the two countries formed a joint commission. In December 1988, Prime Ministers Rajiv Gandhi and Benazir Bhutto concluded a pact not to attack each other's nuclear facilities. Agreements on cultural exchanges and civil aviation also were initiated.

In 1997, high-level Indo-Pakistani talks resumed after a 3-year pause. The Prime Ministers of India and Pakistan met twice, and the foreign secretaries

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conducted three rounds of talks. In June 1997 at Lahore, the foreign secretaries identified eight "outstanding issues" around which continuing talks would be focused. The dispute over the status of Jammu and Kashmir, an issue since partition, remains the major stumbling block in their dialogue. India maintains that the entire former princely state is an integral part of the Indian union, while Pakistan insists that UN resolutions calling for self-determination of the people of the state must be taken into account.

In September 1997, the talks broke down over the structure of how to deal with the issues of Kashmir and peace and security. Pakistan advocated that separate working groups treat each issue. India responded that the two issues be taken up along with six others on a simultaneous basis. In May 1998 India, and then Pakistan, conducted nuclear tests. Attempts to restart dialogue between the two nations were given a major boost by the February 1999 meeting of both Prime Ministers in Lahore and their signing of three agreements. These efforts were stalled by the intrusion of Pakistani-backed forces into Indian-held territory near Kargil in May 1999 (that nearly turned into full scale war), and by the military coup in Pakistan that overturned the Nawaz Sharif government in October the same year. In July 2001, Mr. Vajpayee and General Pervez Musharraf, leader of Pakistan after the coup, met in Agra, but talks ended after 2 days without result.

After an attack on the Indian Parliament in December 2001, India-Pakistan relations cooled further as India accused Pakistanis of being involved in the attacks. Tensions increased, fueled by killings in Jammu and Kashmir, peaking in a troop buildup by both sides in early 2002.

Prime Minister Vajpayee's April 18, 2003 speech in Srinagar (Kashmir) revived bilateral efforts to normalize relations. After a series of confidence building measures, Prime Minister Vajpayee and President Musharraf met on the sidelines of the January 2004 SAARC summit in Islamabad and agreed to commence a Composite Dialogue addressing outstanding issues between India and Pakistan, including Kashmir. In November 2003, Prime Minister Vajpayee and President Musharraf agreed to a ceasefire along the line of control in Jammu and Kashmir, which is still holding. The UPA government has pledged to continue the Composite Dialogue with Pakistan.

In February, India and Pakistan agreed to restart the "2+6" Composite Dialogue formula, which provides for talks on Peace and Security and Jammu and Kashmir, followed by technical and Secretary-level discussions on six other bilateral disputes: Siachen Glacier, Wuller Barrage/Tulbul Navigation Project, Sir Creek, Terrorism and Drug Trafficking, Economic and Commercial cooperation and the Promotion of Friendly Exchanges in various fields. Foreign Secretary-level discussions took place in June, which generated modest progress, and the two sides agreed to schedule a further set of meetings in July and August. The restart of the Composite Dialogue process is especially significant, given the almost six years that have transpired since the two sides agreed to this formula in 1997-98.

SAARC. Certain aspects of India's relations within the subcontinent are conducted through the SAARC. Its members are Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Established in 1985, SAARC encourages cooperation in agriculture, rural development, science and technology, culture, health, population control, narcotics, and terrorism.

SAARC has intentionally stressed these "core issues" and avoided more divisive political issues, although political dialogue is often conducted on the margins of SAARC meetings. In 1993, India and its SAARC partners signed an agreement gradually to lower tariffs within the region. Forward movement in SAARC had slowed because of the tension between India and Pakistan, and the SAARC summit scheduled for 1999 was not held until January 2002. In addition to the boost to the process of normalizing India's relationship with Pakistan, the January 2004 SAARC summit in Islamabad produced an agreement to establish a South Asia Free Trade Area. SAARC members will reduce tariffs on intra-regional trade over a period of 8 years following the ratification of the accord, with least developed countries allowed the most time to adjust.

China. Despite suspicions remaining from a 1962 border conflict between India and China and continuing territorial/boundary disputes, Sino-Indian relations have improved gradually since 1988. Both countries have sought to reduce tensions along the frontier, expand trade and cultural ties, and normalize relations.

A series of high-level visits between the two nations has helped to improve relations. In December 1996, Chinese President Jiang Zemin visited India on a tour of South Asia. While in New Delhi, he signed, with the Indian Prime Minister, a series of confidence-building measures along the disputed border, including troop reductions and weapons limitations.

Continuing the trend of friendly relations, Chinese Premier Wen Jiabao invited Prime Minister Vajpayee to visit China in June 2003. They recognized the common goals of both countries and made the commitment to build a "long-term constructive and cooperative partnership" to peacefully promote their mutual political and economic goals without encroaching upon their good relations with other countries. In Beijing, Prime Minister Vajpayee proposed the designation of special representatives to discuss the border dispute at the political level, a process that is still under way.

Former Soviet Union. The collapse of the Soviet Union in 1991 and the emergence of the Commonwealth of Independent States (CIS) had major repercussions for Indian foreign policy. India's formerly substantial trade with the former Soviet Union plummeted after the Soviet collapse and has yet to recover. Longstanding military supply relationships were similarly disrupted due to questions over financing, although Russia continues to be India's largest supplier of military systems and spare parts.

Russia and India have decided not to renew the 1971 Indo-Soviet Peace and Friendship Treaty and have sought to follow what both describe as a more pragmatic, less ideological relationship. Russian President Yeltsin's visit to India in January 1993 helped cement this new relationship. The pace of high-level visits has since increased, as has discussion of major defense purchases.

U.S.-INDIA RELATIONS

The United States has undertaken a transformation in its relationship with India based on the conviction that U.S. interests require a strong relationship with India. The two countries are the largest democracies, committed to political freedom protected by representative government. India is also moving toward greater economic freedom. The two have a common interest in the free flow of commerce, including through the vital seas lanes of the Indian Ocean. They also share an interest in fighting terrorism and in creating a strategically stable Asia.

Differences remain, including over India's nuclear weapons programs and over the pace of India's economic reforms. But while in the past these concerns may have dominated U.S. thinking about India, today the U.S. starts with a view of India as a growing world power with which it shares common strategic interests. Through a strong partnership with India, the two countries can best address differences and shape a dynamic future.

12/23/13

India (11/04)

In late September 2001, President Bush lifted the sanctions that were imposed under the terms of the 1994 Nuclear Proliferation Prevention Act following India's nuclear tests in May 1998. The nonproliferation dialogue initiated after the 1998 nuclear tests has bridged many of the gaps in understanding between the countries. President Bush met Prime Minister Vajpayee in November 2001, and the two leaders expressed a strong interest in transforming the U.S.-India bilateral relationship. High-level meetings and concrete cooperation between the two countries increased during 2002 and 2003. The U.S. and India announced on January 12, 2004, the Next Steps in Strategic Partnership (NSSP), both a milestone in the transformation of the bilateral relationship and a blueprint for its further progress. Progress has been made on this initiative with the conclusion of Phase I in late September 2004.

Principal U.S. Embassy Officials

Ambassador—David C. Mulford
 Deputy Chief of Mission—Robert O. Blake
 Public Affairs—Michael H. Anderson
 Political Affairs—Geoffrey R. Pyatt
 Economic Affairs—Lee H. Brudvig
 Scientific Affairs—Dr. Marco Di Capua
 Commercial Affairs—John Peters
 Agricultural Affairs—Chad Russell
 Management Affairs—James Forbes
 Consular Affairs—William Bartlett
 USAID Mission Director—Walter E. North

Consuls General

Mumbai (formerly Bombay)—Angus T. Simmons
 Kolkata (formerly Calcutta)—George N. Sibley
 Chennai (formerly Madras)—Richard D. Haynes

The U.S. Embassy in India is located on Shantipath, Chanakyapuri, New Delhi 110021 (tel. 91-11-2419-8000; fax: 91-11-24190017, website <http://newdelhi.usembassy.gov>). Embassy and consulate working hours are Monday to Friday, 8:30 a.m. to 5:30 p.m. Visa application hours are Monday to Friday, 8:30 a.m. to 10:00 a.m.

*This number includes the Indian state of Jammu and Kashmir. The United States considers all of the former princely state of Kashmir to be disputed territory. India, Pakistan, and China each control parts of Kashmir.

NOTE

Travel: Please consult Consular Affairs.

Business Information: Please consult the Department of Commerce.